



**Billing Code 5001-06**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**(Transmittal Nos. 12-44)**

**36(b)(1) Arms Sales Notification**

**AGENCY:** Department of Defense, Defense Security Cooperation Agency.

**ACTION:** Notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

**FOR FURTHER INFORMATION CONTACT:** Ms. B. English,  
DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 12-44 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: August 27, 2012.

Aaron Siegel,  
Alternate OSD Federal Register Liaison Officer,  
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY  
201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

AUG 21 2012

The Honorable John A. Boehner  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 12-44, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to Indonesia for defense articles and services estimated to cost \$25 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

A handwritten signature in cursive script, reading "Richard A. Genaille, Jr.", is positioned above the typed name.

**Richard A. Genaille, Jr.**  
**Deputy Director**

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



## Transmittal No. 12-44

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Indonesia
- (ii) Total Estimated Value:
 

Major Defense Equipment*	\$ 25 million
Other	\$ <u>0 million</u>
TOTAL	\$ 25 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 18 AGM-65K2 MAVERICK All-Up-Round Missiles, 36 TGM-65K2 Captive Air Training Missiles, 3 TGM-65D Maintenance Training Missiles, spare and repair parts, support equipment, tool and test equipment, personnel training and training equipment, publications and technical data, U.S. Government and contractor technical and logistics personnel services and other related elements of program and logistics support.
- (iv) Military Department: Air Force (YBE, Amendment #1)
- (v) Prior Related Cases, if any: FMS case YBE-\$3M-21Oct09
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex
- (viii) Date Report Delivered to Congress: 21 Aug 2012

\* as defined in Section 47(6) of the Arms Export Control Act.

## POLICY JUSTIFICATION

### Indonesia – AGM-65K2 MAVERICK Missiles

The Government of Indonesia has requested a possible sale of 18 AGM-65K2 MAVERICK All-Up-Round Missiles, 36 TGM-65K2 Captive Air Training Missiles, 3 TGM-65D Maintenance Training Missiles, spare and repair parts, support equipment, tool and test equipment, personnel training and training equipment, publications and technical data, U.S. Government and contractor technical and logistics personnel services and other related elements of program and logistics support. The estimated cost is \$25 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been, and continues to be, an important force for political stability and economic progress in Southeast Asia.

The Indonesian Air Force (IAF) needs these missiles to train its F-16 pilots in basic air-to-ground weapons employment. The quantities in the proposed sale will support the IAFs existing fleet of 10 F-16s, as well as the 24 F-16s being provided as Excess Defense Articles. The proposed sale will foster continued cooperation between the U.S. and Indonesia, making Indonesia a more valuable regional partner in an important area of the world.

The proposed sale of this equipment will not alter the basic military balance in the region.

The principal contractors will be Raytheon Missile Systems in Tucson, Arizona. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of additional U.S. Government or contractor representatives to Indonesia.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

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Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act

Annex  
Item No. vii

(vii) Sensitivity of Technology:

1. The AGM-65K MAVERICK is an air-to-ground tactical missile designed for close air support. The missile hardware is Unclassified, but has an overall classification of Secret. The Secret aspects of the MAVERICK system are tactics, information revealing its vulnerability to countermeasures, and counter-countermeasures. Manuals and technical documents that are necessary for operational use and organizational maintenance have portions that are classified Confidential. Performance and operating logic of the countermeasures circuits are Secret.

2. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.